

PEREGRINE DIAMONDS LTD.
SUMMARY: APPLYING TO RENEW NANUQ PROJECT
LAND-USE PERMIT AND WATER LICENCE

Peregrine Diamonds Ltd. (Peregrine) is seeking to renew its Aboriginal Affairs and Northern Development Canada (AANDC)* Land-Use Permit and the associated Nunavut Water Board (NWB) Water Licence for its Nanuq Project (the Project) in the north Kivalliq Region, NU. The existing permit #N2007C0039 expires on 13 June 2013 and the water licence #2BE-NAN0813 expires on 31 May 2013.

The reason for the renewal is so that Peregrine may continue exploration on the Project and conduct already-approved activities. These activities, already screened by the Nunavut Impact Review Board, include: till sampling, airborne and ground geophysics, and drilling of land-based or lake-based targets that are generated. Peregrine is exploring primarily for diamonds, and discovered three diamondiferous kimberlites on the property in 2007. Since 2008, Peregrine has employed from one to five local Inuit per field season, depending on the size of the programme, and has utilised a number of Inuit-registered businesses to provide services, such as expediting and logistics, air transport and accommodation.

Base of operations is Nanuq Camp, a tent camp southwest of the claimblock on the Lorillard River, and approximately 30 km southwest of Wager Bay. The camp currently can accommodate up to 20 persons and is located on Crown Land in NTS Mapsheet 56G/03. The claimblock is located approximately 275 km north-northeast of Rankin Inlet at the closest point, 220 km north of Chesterfield Inlet and 230 km southwest of Repulse Bay. Exploration on the Nanuq Project began in 2003 under a previous permit and water licence, which expired in 2008.

No changes to activities and water usage approved under the current permit and water licence are requested. Water allotment under the current licence is 10m³ per day for camp use and 50m³ per day for drilling. The project will continue to be served by fixed-wing aircraft and a helicopter, mainly via Rankin Inlet.

Under a renewed permit and licence, Peregrine will continue to be guided by strict safety and environmental practices. In addition, Peregrine will continue with community visits and with provision of updates to communities. Should the Project expand in future, opportunities for direct employment, service provision and other economic opportunities also will expand. Peregrine would like to continue its exploration activities on the Project, and in doing so, looks forward to working co-operatively with its regulators and the people of the Kivalliq.

* AANDC was formerly known as "INAC", or Indian and Northern Affairs Canada